

First National Bank Ghana Limited

Summary financial statements for the year ended 31 December 2022



Summary statement of comprehensive income

(All amounts are in thousands of Ghana Cedis)

for the year ended 31 December

	2022	2021
Interest income	300,599	225,032
Interest expense	(181,837)	(120,840)
Net interest income	118,762	104,192
Fees and commission income	83,188	31,159
Fees and commission expense	(20,943)	(8,260)
Net fees and commission	62,245	22,899
Net trading income	112,434	64,279
Other (expense)/income	(80,843)	(8,433)
	31,591	55,846
Operating income	212,598	182,937
Impairment loss on financial assets	(263,159)	(3,471)
Operating income net of impairment	(50,561)	179,466
Personnel expenses	(137,695)	(106,136)
Operating lease expense	(6,208)	(5,343)
Depreciation and amortisation	(85,760)	(30,652)
Other operating expenses	(60,240)	(44,861)
Total operating expenses	(289,903)	(186,992)
(Loss) before tax	(340,464)	(7,526)
Income tax (expense)/credit	-	3,436
(Loss) for the year	(340,464)	(4,090)
Total comprehensive loss for the period	(340,464)	(4,090)

Summary statement of cash flows

(All amounts are in thousands of Ghana Cedis)

for the year ended 31 December

	2022	2021
Cash flows from operating activities		
(Loss) for the year	(340,464)	(4,090)
<i>Adjustments for:</i>		
Depreciation and amortisation	85,760	30,652
Impairment of financial assets	263,159	3,471
Net interest income	(118,762)	(104,192)
Translation (gain)/loss	47,706	8,433
Income tax expense	-	(3,436)
Change in non-pledged trading assets	108,992	73,648
Change in loans and advances	(44,134)	(8,168)
Change in investment securities	(91,310)	(100,956)
Change in other assets	(194,046)	12,850
Change in deposits from banks	(211,487)	204,358
Change in deposits from customers	647,680	(96,681)
Change in other liabilities	136,624	(12,352)
Change in derivative financial assets	(24,137)	(7,798)
Change in derivative financial liabilities	14,611	1,924
Change in restricted balances with Bank of Ghana	(303,925)	(78,038)
Interest received	296,244	232,372
Interest paid	(185,822)	(132,870)
Net cash generated from operating activities	86,689	19,127
Cash flows from investing activities		
Purchases of property and equipment	(18,066)	(12,469)
Purchases of intangible assets	(2,940)	-
Net cash (used in) investing activities	(21,006)	(12,469)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	15,052
Contributions towards capital	40,067	-
Repayment of long-term borrowing	(140,755)	-
Payment of finance lease liability	(17,529)	(14,964)
Net cash (used in)/generated from financing activities	(118,217)	88
Net (decrease)/increase in cash and cash equivalents	(52,534)	6,746
Cash and cash equivalents at 1 January	436,612	420,294
Effect of exchange rate changes on cash and cash equivalents	149,283	9,572
Cash and cash equivalents at 31 December	533,361	436,612

Cash and cash equivalents in the statement of financial position include restricted cash balance of GHS516,832 (2021:GHS212,907) with Bank of Ghana. But restricted balances are excluded in the cash and cash equivalents for cash flow purposes.

Summary statement of financial position

(All amounts are in thousands of Ghana Cedis)


as at 31 December

	2022	2021
Assets		
Cash and cash equivalents	1,050,193	649,519
Non-pledged trading assets	4,213	113,205
Loans and advances	981,200	780,740
Investment securities	683,281	744,727
Derivative financial assets	33,291	9,154
Intangible assets	10,629	74,331
Deferred tax assets	797	797
Other assets	251,662	55,121
Investment in subsidiary	10	10
Property and equipment	53,114	54,126
Total assets	3,068,390	2,481,730
Liabilities		
Deposits from other banks	1,119	212,606
Deposits from customers	1,920,381	1,106,257
Derivative financial liabilities	17,385	2,774
Other liabilities	291,360	101,894
Borrowings	592,223	511,880
Total liabilities	2,822,468	1,935,411
Equity		
Stated capital	622,847	622,847
Contribution towards capital	40,067	-
Statutory reserves	1,713	1,713
Retained earnings	(418,705)	(78,241)
Total equity	245,922	546,319
Total liabilities and equity	3,068,390	2,481,730

Proud winner

2023
Brand Finance
Global 500 Report

**Strongest
Global Banking
Brand**


Emmanuel Idun (Chairman)


Warren Adams (Chief Executive Officer)

25 April 2023

25 April 2023



Summary statement of changes in equity for the year ended 31 December 2022

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2022	622,847	-	-	1,713	(78,241)	546,319
Loss for the year	-	-	-	-	(340,464)	(340,464)
Total comprehensive income	-	-	-	-	(340,464)	(340,464)
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Contributions towards capital	-	40,067	-	-	-	40,067
Transfer from credit risk reserve	-	-	-	-	-	-
Total transactions with owners	-	40,067	-	-	-	40,067
Balance at 31 December 2022	622,847	40,067	-	1,713	(418,705)	245,922

Summary statement of changes in equity for the year ended 31 December 2021

(All amounts are in thousands of Ghana Cedis)

	Stated capital	Contribution towards capital	Credit risk reserve	Statutory reserve	Retained earnings	Total equity
Balance at 1 January 2021	607,795	-	-	1,713	(74,151)	535,357
Loss for the year	-	-	-	-	(4,090)	(4,090)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(4,090)	(4,090)
Issue of ordinary shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Contributions towards capital	15,052	-	-	-	-	15,052
Total transactions with owners	15,052	-	-	-	-	15,052
Balance at 31 December 2021	622,847	-	-	1,713	(78,241)	546,319

Notes to the summary financial statements

(for the year ended 31 December 2022)

1. Reporting entity

First National Bank Ghana Limited ('the bank') is a private limited liability company incorporated, and domiciled in Ghana, licensed to carry out universal banking activities. The bank is wholly owned by FirstRand EMA Holdings Proprietary Limited, and the ultimate holding company is FirstRand Limited. The holding and ultimate holding companies are all incorporated in the Republic of South Africa.

The address of the bank's registered office is 6th Floor Accra Financial Centre, Corner of Independence Avenue and Liberia Road, Accra.

2. Summary report of the directors

The directors submit their annual report together with the summarised financial statements of First National Bank Ghana Limited ('the bank') for the year ended 31 December 2022.

Directors' responsibility statement

The directors are responsible for the preparation of the bank's financial statements for each financial year, which gives a true and fair view of the bank's financial position as at 31 December 2022, and of the profit or loss and cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The directors have considered the bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these summary financial statements are consistent with the accounting policies applied in the audited financial statements of the bank for the year ended 31 December, 2022. These policies have been consistently applied to all the years presented, unless otherwise stated.

4. Basis of measurement

These summary financial statements have been prepared under the historical cost convention except for the following items:

- non-derivative financial instruments at fair value through profit or loss
- non-pledged trading assets
- derivative financial assets and liabilities which are all measured at fair value.

Functional and presentation currency

These summary financial statements are presented in Ghana cedis, which is the bank's functional currency,

5. Quantitative disclosures

	December 2022	December 2021
Loan classification by status		
Gross loans	1,062,670	806,349
Performing loans	987,311	778,240
Non-performing loans	75,359	28,109
NPL (%)	7.09%	3.49%
Capital Adequacy Ratio (CAR)	19.82%	36.62%
Breach of statutory limits		
Minimum liquidity reserves	Nil	Nil
Penalty for breach limits	Nil	Nil
Sanctions (GHS 000)	252	Nil

First National Bank Ghana Limited

Summary financial statements for the year ended 31 December 2022 (continued)



6. Qualitative disclosures

First National Bank Ghana Limited is generally exposed to:



The bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the bank's business, and the operational risks are an inevitable consequence of being in business. The bank's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. Risk Management Department identifies, evaluates and manages financial risks in close cooperation with the operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and use of non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

The Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The Board has established the bank's Asset, Liability and Capital Committee (ALCCO), the Risk Committee (RISCO) and the Executive Committee (EXCO) which are responsible for developing and monitoring risk management policies in their specified areas. The bank maintains liquidity limits imposed by its local regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. Treasury department monitors compliance of all branches to ensure that the bank maintains optimum liquid assets.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Asset, Liability and Capital Committee (ALCCO). Daily reports on the liquidity position of the bank are submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALCCO on a quarterly basis.

The Board of Directors has delegated responsibility for the management of credit risk to its Credit Risk Management Committee. The Committee is responsible for the independent monitoring and oversight of the credit risk management process within First National Bank Ghana as well as the approval of risk procedures, frameworks, policies and methodologies applied in the management of the bank's credit exposures.

7. Others

There are no other disclosures that are necessary to the understanding of the summary financial statements

Corporate Investment Banking

It's not about the deals we do
It's about what those deals do

Change to **First National Bank**

In partnership with



INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF FIRST NATIONAL BANK GHANA LIMITED

Opinion

The summary financial statements of First National Bank Ghana Limited, which comprise the summary statement of financial position as at 31 December 2022, the summary statement of profit or loss and other comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and related notes, are derived from the audited financial statements of First National Bank Ghana Limited for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of First National Bank Ghana Limited, in accordance with the requirements of the Bank of Ghana Guide for Financial Publication for Banks and BOG Licensed Financial Institutions.

The summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) as applicable to annual financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of First National Bank Ghana Limited and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April 2023. That report also includes the communication of other key audit matters as reported in the auditor's report of the audited financial statements. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Bank of Ghana Guide for Financial Publication for Banks and BOG Licensed Financial Institutions.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Report on other legal and regulatory requirements

In accordance with our full audit report, we confirm that:

- The Bank generally complied with the provisions of the Companies Act, 2019 (Act 992).
- The Bank generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel Martey (ICAG/P/1476)**.

Deloitte & Touche

For and on behalf of **Deloitte & Touche (ICAG/F/2023/129)**
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
Accra, Ghana

26 April 2023